CHAPTER IV

INDIRECT TAXES

Customs

52 of 1962.

Substitution of references to certain expressions by certain other expressions.

56. Throughout the Customs Act, 1962 (hereinafter referred to as the Customs Act), for the words "import manifest" and "export manifest", wherever they occur, the words "arrival manifest or import manifest" and "departure manifest or export manifest" shall, respectively, be substituted, and such other consequential amendments as the rules of grammar may require shall also be made.

Amendment of section 1.

57. In the Customs Act, in section 1, in sub-section (*2*), after the word "India", the words "and, save as otherwise provided in this Act, it applies also to any offence or contravention thereunder committed outside India by any person" shall be inserted.

Amendment of section 2.

58. In the Customs Act, in section 2,—

(*i*) for clause (*2*), the following clause shall be substituted, namely:—

51 of 1975.

'(*2*) "assessment" means determination of the dutiability of any goods and the amount of duty, tax, cess or any other sum so payable, if any, under this Act or under the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act) or under any other law for the time being in force, with reference to—

(*a*) the tariff classification of such goods as determined in accordance with the provisions of the Customs Tariff Act;

(*b*) the value of such goods as determined in accordance with the provisions of this Act and the Customs Tariff Act;

(*c*) exemption or concession of duty, tax, cess or any other sum, consequent upon any notification issued therefor under this Act or under the Customs Tariff Act or under any other law for the time being in force;

(*d*) the quantity, weight, volume, measurement or other specifics where such duty, tax, cess or any other sum is leviable on the basis of the quantity, weight, volume, measurement or other specifics of such goods;

(*e*) the origin of such goods determined in accordance with the provisions of the Customs Tariff Act or the rules made thereunder, if the amount of duty, tax, cess or any other sum is affected by the origin of such goods;

(*f*) any other specific factor which affects the duty, tax, cess or any other sum payable on such goods,

and includes provisional assessment, self-assessment, re-assessment and any assessment in which the duty assessed is *nil*;';

(*ii*) in clause (*6*), for the words "Central Board of Excise and Customs", the words "Central Board of Indirect Taxes and Customs" shall be substituted;

(*iii*) in clause (*28*), for the words and figure "contiguous zone of India under section 5", the words and figure "Exclusive Economic Zone under section 7" shall be substituted;

(*iv*) after clause (*30A*), the following clause shall be inserted, namely:—

'(*30AA*) "notification" means notification published in the Official Gazette and the expression "notify" with its cognate meaning and grammatical variation shall be construed accordingly;'.

Amendment of section 11.

59. In the Customs Act, in section 11, after sub-section (*2*), the following sub-section shall be inserted with effect from such date as the Central Government may, by notification

in the Official Gazette, appoint, namely:—

"(3) Any prohibition or restriction or obligation relating to import or export of any goods or class of goods or clearance thereof provided in any other law for the time being in force, or any rule or regulation made or any order or notification issued thereunder, shall be executed under the provisions of that Act only if such prohibition or restriction or obligation is notified under the provisions of this Act, subject to such exceptions, modifications or adaptations as the Central Government deems fit.".

Amendment of section 17.

60. In the Customs Act, in section 17,—

(*i*) in sub-section (*2*),—

(*a*) for the words "the self-assessment of such goods", the words, figures and brackets "the entries made under section 46 or section 50 and the self-assessment of goods referred to in sub-section (*1*)" shall be substituted;

(*b*) the following proviso shall be inserted, namely:—

"Provided that the selection of cases for verification shall primarily be on the basis of risk evaluation through appropriate selection criteria.";

(*ii*) in sub-section (*3*), for the words "verification of self-assessment", the words "the purposes of verification" shall be substituted;

(*iii*) in sub-section (*5*), the words "regarding valuation of goods, classification, exemption or concessions of duty availed consequent to any notification issued therefor under this Act" shall be omitted;

(*iv*) sub-section (*6*) shall be omitted.

Amendment of section 18.

61. In the Customs Act, in section 18,—

(*i*) in sub-section (*1*), in the opening portion, after the word and figures "section 46", the words and figures "and section 50" shall be inserted;

(*ii*) after sub-section (*1*), the following sub-section shall be inserted, namely:—

"(*1A*) Where, pursuant to the provisional assessment under sub-section (*1*), if any document or information is required by the proper officer for final assessment, the importer or exporter, as the case may be, shall submit such document or information within such time, and the proper officer shall finalise the provisional assessment within such time and in such manner, as may be prescribed.";

(*iii*) in sub-section (*3*), for the figures and letters "28AB", the figures and letters "28AA" shall be substituted and shall be deemed to have been substituted retrospectively with effect from the 8th day of April, 2011.

Insertion of new sections 25A and 25B.

62. In the Customs Act, after section 25, the following sections shall be inserted, namely:—

Inward processing of goods.

"25A. Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification, exempt such of the goods which are imported for the purposes of repair, further processing or manufacture, as may be specified therein, from the whole or any part of duty of customs leviable thereon, subject to the following conditions, namely:—

(*a*) the goods shall be re-exported after such repair, further processing or manufacture, as the case may be, within a period of one year from the date on which the order for clearance of the imported goods is made;

(*b*) the imported goods are identifiable in the export goods; and

(*c*) such other conditions as may be specified in that notification.

25B. Notwithstanding anything contained in section 20, where the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification, exempt such of the goods which are re-imported after being exported for the purposes of repair, further processing or manufacture, as may be specified therein, from the whole or any part of duty of customs leviable thereon, subject to the following conditions, namely:—

Outward processing of goods.

(*a*) the goods shall be re-imported into India after such repair, further processing or manufacture, as the case may be, within a period of one year from the date on which the order permitting clearance for export is made;

(*b*) the exported goods are identifiable in the re-imported goods; and

(*c*) such other conditions as may be specified in that notification.".

63. In the Customs Act, in section 28,—

Amendment of section 28.

(*i*) in sub-section (*1*), in clause (*a*), the following proviso shall be inserted, namely:—

"Provided that before issuing notice, the proper officer shall hold pre-notice consultation with the person chargeable with duty or interest in such manner as may be prescribed;";

(*ii*) after sub-section (*7*), the following sub-section shall be inserted, namely:—

"(*7A*) Save as otherwise provided in clause (*a*) of sub-section (*1*) or in sub-section (*4*), the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed, and the provisions of this section shall apply to such supplementary notice as if it was issued under the said sub-section (*1*) or sub-section (*4*).";

(*iii*) in sub-section (*9*),—

(*a*) the words "where it is possible to do so", at both the places where they occur, shall be omitted;

(*b*) the following provisos shall be inserted, namely:—

"Provided that where the proper officer fails to so determine within the specified period, any officer senior in rank to the proper officer may, having regard to the circumstances under which the proper officer was prevented from determining the amount of duty or interest under sub-section (*8*), extend the period specified in clause (*a*) to a further period of six months and the period specified in clause (*b*) to a further period of one year:

Provided further that where the proper officer fails to determine within such extended period, such proceeding shall be deemed to have concluded as if no notice had been issued.";

(*iv*) after sub-section (*9*), the following sub-section shall be inserted, namely:—

"(*9A*) Notwithstanding anything contained in sub-section (*9*), where the proper officer is unable to determine the amount of duty or interest under sub-section (*8*) for the reason that—

(*a*) an appeal in a similar matter of the same person or any other person is pending before the Appellate Tribunal or the High Court or the Supreme Court; or

(*b*) an interim order of stay has been issued by the Appellate Tribunal or the High Court or the Supreme Court; or

(*c*) the Board has, in a similar matter, issued specific direction or order to keep such matter pending; or

(*d*) the Settlement Commission has admitted an application made by the person concerned,

the proper officer shall inform the person concerned the reason for non-determination of the amount of duty or interest under sub-section (*8*) and in such case, the time specified in sub-section (*9*) shall apply not from the date of notice, but from the date when such reason ceases to exist.";

(*v*) after sub-section (*10*), the following sub-sections shall be inserted, namely:—

"(*10A*) Notwithstanding anything contained in this Act, where an order for refund under sub-section (*2*) of section 27 is modified in any appeal and the amount of refund so determined is less than the amount refunded under said sub-section, the excess amount so refunded shall be recovered along with interest thereon at the rate fixed by the Central Government under section 28AA, from the date of refund up to the date of recovery, as a sum due to the Government.

(*10B*) A notice issued under sub-section (*4*) shall be deemed to have been issued under sub-section (*1*), if such notice demanding duty is held not sustainable in any proceeding under this Act, including at any stage of appeal, for the reason that the charges of collusion or any wilful mis-statement or suppression of facts to evade duty has not been established against the person to whom such notice was issued and the amount of duty and the interest thereon shall be computed accordingly.";

(*vi*) after *Explanation* 3, the following *Explanation* shall be inserted, namely:—

"*Explanation* 4.—For the removal of doubts, it is hereby declared that in cases where notice has been issued for non-levy, not paid, short-levy or short-paid or erroneous refund after the 14th day of May, 2015, but before the date on which the Finance Bill, 2018 receives the assent of the President, they shall continue to be governed by the provisions of section 28 as it stood immediately before the date on which such assent is received.".

Amendment of section 28E.

64. In the Customs Act, in section 28E,—

(*i*) clause (*a*) shall be omitted;

(*ii*) for clause (*b*), the following clause shall be substituted, namely:—

'(*b*) "advance ruling" means a written decision on any of the questions referred to in section 28H raised by the applicant in his application in respect of any goods prior to its importation or exportation;';

(*iii*) after clause (*b*), the following clause shall be inserted, namely:—

'(*ba*) "Appellate Authority" means the Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961;'; 43 of 1961.

(*iv*) for clause (*c*), the following clause shall be substituted, namely:—

'(*c*) "applicant" means any person,—

(*i*) holding a valid Importer-exporter Code Number granted under section 7 of the Foreign Trade (Development and Regulation) Act, 1992; or 22 of 1992.

(*ii*) exporting any goods to India; or

(*iii*) with a justifiable cause to the satisfaction of the Authority,

who makes an application for advance ruling under section 28H;';

(*v*) for clause (*e*), the following clause shall be substituted, namely:—

'(*e*) "Authority" means the Customs Authority for Advance Rulings appointed under section 28EA;';

(*vi*) in clause (*f*), for the word "Authority", the words "Appellate Authority" shall be substituted;

(*vii*) in clause (*g*), for the word "Authority", the words "Appellate Authority" shall be substituted.

Insertion of new section 28EA.

65. In the Customs Act, after section 28E, the following section shall be inserted, namely:—

Customs Authority for Advance Rulings.

"28EA. (*1*) The Board may, for the purposes of giving advance rulings under this Act, by notification, appoint an officer of the rank of Principal Commissioner of Customs or Commissioner of Customs to function as a Customs Authority for Advance Rulings:

Provided that till the date of appointment of the Customs Authority for Advance Rulings, the existing Authority for Advance Rulings constituted under section 245-O of the Income-tax Act, 1961 shall continue to be the Authority for giving advance rulings for the purposes of this Act.

43 of 1961.

(*2*) The offices of the Authority may be established in New Delhi and at such other places, as the Board may deem fit.

(*3*) Subject to the provisions of this Act, the Authority shall exercise the powers and authority conferred on it by or under this Act.".

Amendment of section 28F.

66. In the Customs Act, in section 28F,—

(*i*) in sub-section (*1*),—

(*a*) in the opening paragraph, for the words "the Authority for giving advance rulings for the purposes of this Act and the said Authority", the words "the Appellate Authority for deciding appeal under this Chapter and the said Appellate Authority" shall be substituted;

(*b*) in the proviso, for the word "Authority", the words "Appellate Authority" shall be substituted;

(*ii*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*3*) On and from the date of appointment of the Customs Authority for Advance Rulings, every application and proceeding pending before the erstwhile Authority for Advance Rulings shall stand transferred to the Authority from the stage at which such application or proceeding stood as on the date of such appointment.".

Amendment of section 28H.

67. In the Customs Act, in section 28H,—

(*i*) in sub-section (*2*),—

(*a*) for clause (*d*), the following clause shall be substituted, namely:—

"(*d*) applicability of notifications issued in respect of tax or duties under this Act or the Customs Tariff Act, 1975 or any tax or duty chargeable under any other law for the time being in force in the same manner as duty of customs leviable under this Act or the Customs Tariff Act;";

51 of 1975.

(*b*) after clause (*e*), the following clause shall be inserted, namely:—

"(*f*) any other matter as the Central Government may, by notification, specify.";

(*ii*) after sub-section (*4*), the following sub-section shall be inserted, namely:—

'(*5*) The applicant may be represented by any person resident in India who is authorised in this behalf.

Explanation.—For the purposes of this sub-section "resident" shall have the same meaning as assigned to it in clause (*42*) of section 2 of the Income-tax Act, 1961.'.

43 of 1961.

Amendment of section 28-I.

68. In the Customs Act, in section 28-I, in sub-section (*6*), for the words "six months", the words "three months" shall be substituted.

Amendment of section 28K.

69. In the Customs Act, in section 28K, in sub-section (*1*),—

(*i*) the brackets and words "(after excluding the period beginning with the date of such advance ruling and ending with the date of order under this sub-section)" shall be omitted;

(*ii*) the following proviso shall be inserted, namely:—

"Provided that in computing the period of two years referred to in clause (*a*) of sub-section (*1*) of section 28, or five years referred to in sub-section (*4*) thereof, for service of notice for recovery of any duty not levied, short-levied, not paid or short-paid on account of the advance ruling, the period beginning with the date of such advance ruling and ending with the date of the order under this sub-section shall be excluded.".

Insertion of new section 28KA.

70. In the Customs Act, after section 28K, the following section shall be inserted with effect from such date as the Central Government may, by notification, appoint, namely:—

Appeal.

"28KA. (*1*) Any officer authorised by the Board, by notification, or the applicant may file an appeal to the Appellate Authority against any ruling or order passed by the Authority, within sixty days from the date of the communication of such ruling or order, in such form and manner as may be prescribed:

Provided that where the Appellate Authority is satisfied that the appellant was prevented by sufficient cause from presenting the appeal within the period so specified, it may allow a further period of thirty days for filing such appeal.

(*2*) The provisions of sections 28-I and 28J shall, *mutatis mutandis*, apply to the appeal under this section.".

Amendment of section 28L.

71. In the Customs Act, in section 28L, for the word "Authority" wherever it occurs, the words "Authority or Appellate Authority" shall be substituted.

Substitution of new section for section 28M.

72. In the Customs Act, for section 28M, the following section shall be substituted, namely:—

Procedure for Authority and Appellate Authority.

"28M. (*1*) The Authority shall follow such procedure as may be prescribed.

(*2*) The Appellate Authority shall, subject to the provisions of this Chapter, have power to regulate its own procedure in all matters arising out of the exercise of its powers and authority under this Act.".

Amendment of section 30.

73. In the Customs Act, in section 30, in sub-section (*1*),—

(*i*) after the words "imported goods", the words "or export goods" shall be inserted;

(*ii*) for the words "the prescribed form", the words "such form and manner as may be prescribed" shall be substituted.

Amendment of section 41.

74. In the Customs Act, in section 41, in sub-section (*1*),—

(*i*) after the words "export goods", the words "or imported goods" shall be inserted;

(*ii*) for the words "the prescribed form", the following shall be substituted, namely:—

"such form and manner as may be prescribed and in case, the person-in-charge fails to deliver the departure manifest or export manifest or the export

report or any part thereof within such time, and the proper officer is satisfied that there is no sufficient cause for such delay, such person-in-charge shall be liable to pay penalty not exceeding fifty thousand rupees".

Amendment of section 45.

75. In the Customs Act, in section 45, in sub-section (*2*), in clause (*b*), after the words "proper officer", the words "or in such manner as may be prescribed" shall be inserted.

Amendment of section 46.

76. In the Customs Act, in section 46,—

(*i*) in sub-section (*1*),—

(*a*) after the word "electronically", at both the places where it occurs, the words "on the customs automated system" shall be inserted;

(*b*) for the words "in the prescribed form", the words "in such form and manner as may be prescribed" shall be substituted;

(*ii*) in sub-section (*3*), in the first proviso, for the words "within thirty days of", the words "at any time not exceeding thirty days prior to" shall be substituted;

(*iii*) in sub-section (*4*), for the words "relating to the imported goods", the words "and such other documents relating to the imported goods as may be prescribed" shall be substituted;

(*iv*) after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*4A*) The importer who presents a bill of entry shall ensure the following, namely:—

(*a*) the accuracy and completeness of the information given therein;

(*b*) the authenticity and validity of any document supporting it; and

(*c*) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.".

Amendment of section 47.

77. In the Customs Act, in section 47, in sub-section (*1*), in the proviso, for the words "Provided that", the following shall be substituted, namely:—

"Provided that such order may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria:

Provided further that".

Amendment of section 50.

78. In the Customs Act, in section 50,—

(*i*) in sub-section (*1*),—

(*a*) after the word "electronically", at both the places where it occurs, the words "on the customs automated system" shall be inserted;

(*b*) for the words "in the prescribed form", the words "in such form and manner as may be prescribed" shall be substituted;

(*ii*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*3*) The exporter who presents a shipping bill or bill of export under this section shall ensure the following, namely:—

(*a*) the accuracy and completeness of the information given therein;

(*b*) the authenticity and validity of any document supporting it; and

(*c*) compliance with the restriction or prohibition, if any, relating to the goods under this Act or under any other law for the time being in force.".

Amendment of section 51.

79. In the Customs Act, in section 51, in sub-section (*1*), in the proviso, for the words "Provided that", the following shall be substituted, namely:—

"Provided that such order may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria:

Provided further that".

Insertion of new Chapter VIIA.

80. In the Customs Act, after Chapter VII, the following Chapter shall be inserted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint, namely:—

"CHAPTER VIIA

PAYMENTS THROUGH ELECTRONIC CASH LEDGER

Payment of duty, interest, penalty, etc.

51A. (*1*) Every deposit made towards duty, interest, penalty, fee or any other sum payable by a person under the provisions of this Act or under the Customs Tariff Act, 1975 or under any other law for the time being in force or the rules and regulations made thereunder, using authorised mode of payment shall, subject to such conditions and restrictions, be credited to the electronic cash ledger of such person, to be maintained in such manner, as may be prescribed.

51 of 1975.

(*2*) The amount available in the electronic cash ledger may be used for making any payment towards duty, interest, penalty, fees or any other sum payable under the provisions of this Act or under the Customs Tariff Act, 1975 or under any other law for the time being in force or the rules and regulations made thereunder in such manner and subject to such conditions and within such time as may be prescribed.

51 of 1975.

(*3*) The balance in the electronic cash ledger, after payment of duty, interest, penalty, fee or any other amount payable, may be refunded in such manner as may be prescribed.

(*4*) Notwithstanding anything contained in this section, if the Board is satisfied that it is necessary or expedient so to do, it may, by notification, exempt the deposits made by such class of persons or with respect to such categories of goods, as may be specified in the notification, from all or any of the provisions of this section.".

Amendment of section 54.

81. In the Customs Act, in section 54, in sub-section (*1*),—

(*i*) for the words "the prescribed form", the words "such form and manner as may be prescribed" shall be substituted;

(*ii*) in the proviso, for the words "the prescribed form", the words "such form and manner as may be prescribed" shall be substituted.

Amendment of section 60.

82. In the Customs Act, in section 60, in sub-section (*1*), the following proviso shall be inserted, namely:—

"Provided that such order may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria.".

Amendment of section 68.

83. In the Customs Act, in section 68,—

(*a*) in the first proviso, for the words "Provided that", the following shall be substituted, namely:—

"Provided that the order referred to in clause (*c*) may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria:

Provided further that";

(*b*) in the second proviso, for the words "Provided further that", the words "Provided also that" shall be substituted.

Amendment of section 69.

84. In the Customs Act, in section 69, in sub-section (*1*), the following proviso shall be inserted, namely:—

"Provided that the order referred to in clause (*c*) may also be made electronically through the customs automated system on the basis of risk evaluation through appropriate selection criteria.".

Amendment of section 74.

85. In the Customs Act, in section 74, in sub-section (*1*), in clause (*iii*), for the word and figures "section 82", the words, brackets, letter and figures "clause (*a*) of section 84" shall be substituted.

Amendment of section 75.

86. In the Customs Act, in section 75, in sub-section (*1*), for the word and figures "section 82", the words, brackets, letter and figures "clause (*a*) of section 84" shall be substituted.

Amendment of Chapter heading.

87. In the Customs Act, in Chapter XI, in the heading, for the word "POST", the words "POST, COURIER" shall be substituted.

Amendment of section 83.

88. In the Customs Act, in section 83,—

(*a*) for the word "post", wherever it occurs, the words "post or courier" shall be substituted;

(*b*) for the words "postal authorities" at both the places where they occur, the words "postal authorities or the authorised courier" shall be substituted.

Amendment of section 84.

89. In the Customs Act, in section 84, for the word "post", wherever it occurs, the words "post or courier" shall be substituted.

Insertion of new Chapter XIIA.

90. In the Customs Act, after Chapter XII, the following Chapter shall be inserted, namely:—

'CHAPTER XIIA

AUDIT

Audit.

99A. The proper officer may carry out the audit of assessment of imported goods or export goods or of an auditee under this Act either in his office or in the premises of the auditee in such manner as may be prescribed.

Explanation.—For the purposes of this section, "auditee" means a person who is subject to an audit under this section and includes an importer or exporter or custodian approved under section 45 or licensee of a warehouse and any other person concerned directly or indirectly in clearing, forwarding, stocking, carrying, selling or purchasing of imported goods or export goods or dutiable goods.'.

Insertion of new section 109A.

91. In the Customs Act, after section 109, the following section shall be inserted, namely:—

Power to undertake controlled delivery.

'109A. Notwithstanding anything contained in this Act, the proper officer or any other officer authorised by him in this behalf, may undertake controlled delivery of any consignment of such goods and in such manner as may be prescribed, to—

(*a*) any destination in India; or

(*b*) a foreign country, in consultation with the competent authority of such country to which such consignment is destined.

Explanation.—For the purposes of this section "controlled delivery" means the procedure of allowing consignment of such goods to pass out of, or into, the territory of India with the knowledge and under the supervision of proper officer for identifying the persons involved in the commission of an offence or contravention under this Act.'.

Amendment of section 110.

92. In the Customs Act, in section 110, in sub-section (*2*), for the proviso, the following provisos shall be substituted, namely:—

"Provided that the Principal Commissioner of Customs or Commissioner of Customs may, for reasons to be recorded in writing, extend such period to a further period not exceeding six months and inform the person from whom such goods were seized before the expiry of the period so specified:

Provided further that where any order for provisional release of the seized goods has been passed under section 110A, the specified period of six months shall not apply.".

Amendment of section 122.

93. In the Customs Act, in section 122, for clauses (*b*) and (*c*), the following clause shall be substituted, namely:—

"(*b*) up to such limit, by such officers, as the Board may, by notification, specify.".

Amendment of section 124.

94. In the Customs Act, in section 124, after the proviso, the following proviso shall be inserted, namely:—

"Provided further that notwithstanding issue of notice under this section, the proper officer may issue a supplementary notice under such circumstances and in such manner as may be prescribed.".

Amendment of section 125.

95. In the Customs Act, in section 125,—

(*i*) in sub-section (*1*), in the proviso, for the words "Provided that", the following shall be substituted, namely:—

"Provided that where the proceedings are deemed to be concluded under the proviso to sub-section (*2*) of section 28 or under clause (*i*) of sub-section (*6*) of that section in respect of the goods which are not prohibited or restricted, the provisions of this section shall not apply:

Provided further that";

(*ii*) after sub-section (*2*), the following shall be inserted, namely:—

"(*3*) Where the fine imposed under sub-section (*1*) is not paid within a period of one hundred and twenty days from the date of option given thereunder, such option shall become void, unless an appeal against such order is pending.

Explanation.—For removal of doubts, it is hereby declared that in cases where an order under sub-section (*1*) has been passed before the date on which the Finance Bill, 2018 receives the assent of the President and no appeal is pending against such order as on that date, the option under said sub-section may be exercised within a period of one hundred and twenty days from the date on which such assent is received.".

Amendment of section 128A.

96. In the Customs Act, in section 128A, in sub-section (*3*), for the words "just and proper, confirming, modifying or annulling the decision or order appealed against", the following shall be substituted, namely:—

"just and proper,—

(*a*) confirming, modifying or annulling the decision or order appealed against; or

(*b*) referring the matter back to the adjudicating authority with directions for fresh adjudication or decision, as the case may be, in the following cases, namely:—

(*i*) where an order or decision has been passed without following the principles of natural justice; or

(*ii*) where no order or decision has been passed after re-assessment under section 17; or

(*iii*) where an order of refund under section 27 has been issued by crediting the amount to Fund without recording any finding on the evidence produced by the applicant.".

Insertion of new section 143AA.

97. In the Customs Act, after section 143, the following section shall be inserted, namely:—

Power to simplify or provide different procedure, etc., to facilitate trade.

"143AA. Notwithstanding anything contained in any other provision of this Act, the Board may, for the purposes of facilitation of trade, take such measures or prescribe separate procedure or documentation for a class of importers or exporters or for categories of goods or on the basis of the modes of transport of goods, in order to,—

(*a*) maintain transparency in the import and export documentation; or

(*b*) expedite clearance or release of goods entered for import or export; or

(*c*) reduce the transaction cost of clearance of importing or exporting goods; or

(*d*) maintain balance between customs control and facilitation of legitimate trade.".

Insertion of new section 151B.

98. In the Customs Act, after section 151A, the following section shall be inserted, namely:—

Reciprocal arrangement for exchange of information facilitating trade.

'151B. (*1*) The Central Government may enter into an agreement or any other arrangement with the Government of any country outside India or with such competent authorities of that country, as it deems fit, for facilitation of trade, enforcing the provisions of this Act and exchange of information for trade facilitation, effective risk analysis, verification of compliance and prevention, combating and investigation of offences under the provisions of this Act or under the corresponding laws in force in that country.

(*2*) The Central Government may, by notification, direct that the provisions of this section shall apply to the contracting State with which reciprocal agreement or arrangements have been made, subject to such conditions, exceptions or qualifications as may be specified in that notification.

(*3*) Subject to the provisions of sub-section (*2*), the information received under sub-section (*1*) may also be used as evidence in investigations and proceedings under this Act.

(*4*) Where the Central Government has entered into a multilateral agreement for exchange of information or documents for the purpose of verification of compliance in identified cases, the Board shall specify the procedure for such exchange, the conditions subject to which such exchange shall be made and designation of the person through whom such information shall be exchanged.

(*5*) Notwithstanding anything contained in sub-section (*1*) or sub-section (*2*) or sub-section (*3*), anything done or any action taken or purported to have been done or taken, in pursuance to any agreement entered into or any other arrangement made by the Central Government prior to the date on which the Finance Bill, 2018 receives the assent of the President, shall be deemed to have been done or taken under the provisions of this section.

Explanation.—For the purposes of this section, the expressions,—

(*i*) "contracting State" means any country outside India in respect of which agreement or arrangements have been made by the Central Government

with the Government or authority of such country through an agreement or otherwise;

(*ii*) "corresponding law" means any law in force in the contracting State corresponding to any of the provisions of this Act or dealing with offences in that country corresponding to any of the offences under this Act.'.

Substitution of new section for section 153.

99. In the Customs Act, for section 153, the following section shall be substituted, namely:—

Modes for service of notice, order, etc.

"153. (*1*) An order, decision, summons, notice or any other communication under this Act or the rules made thereunder may be served in any of the following modes, namely:—

(*a*) by giving or tendering it directly to the addressee or importer or exporter or his customs broker or his authorised representative including employee, advocate or any other person or to any adult member of his family residing with him;

(*b*) by a registered post or speed post or courier with acknowledgement due, delivered to the person for whom it is issued or to his authorised representative, if any, at his last known place of business or residence;

(*c*) by sending it to the e-mail address as provided by the person to whom it is issued, or to the e-mail address available in any official correspondence of such person;

(*d*) by publishing it in a newspaper widely circulated in the locality in which the person to whom it is issued is last known to have resided or carried on business; or

(*e*) by affixing it in some conspicuous place at the last known place of business or residence of the person to whom it is issued and if such mode is not practicable for any reason, then, by affixing a copy thereof on the notice board of the office or uploading on the official website, if any.

(*2*) Every order, decision, summons, notice or any communication shall be deemed to have been served on the date on which it is tendered or published or a copy thereof is affixed or uploaded in the manner provided in sub-section (*1*).

(*3*) When such order, decision, summons, notice or any communication is sent by registered post or speed post, it shall be deemed to have been received by the addressee at the expiry of the period normally taken by such post in transit unless the contrary is proved.".

Amendment of section 157.

100. In the Customs Act, in section 157, in sub-section (*2*),—

(*i*) in clause (*a*), after the word "form", the words "and manner to deliver or present" shall be inserted;

(*ii*) for clause (*d*), the following clauses shall be substituted, namely:—

"(*d*) the time and manner of finalisation of provisional assessment;

(*e*) the manner of conducting pre-notice consultation;

(*f*) the circumstances under which, and the manner in which, supplementary notice may be issued;

(*g*) the form and manner in which an application for advance ruling or appeal shall be made, and the procedure for the Authority, under Chapter VB;

(*h*) the manner of clearance or removal of imported or export goods;

(*i*) the documents to be furnished in relation to imported goods;

(*j*) the conditions, restrictions and the manner of making deposits in electronic cash ledger, the utilisation and refund therefrom and the manner of maintaining such ledger;

(*k*) the manner of conducting audit;

(*l*) the goods for controlled delivery and the manner thereof;

(*m*) the measures and separate procedure or documentation for a class of importers or exporters or categories of goods or on the basis of the modes of transport of goods.".

Amendment of notification issued under sub-section (*1*) of section 25 of Customs Act and sub-section (*12*) of section 3 of Customs Tariff Act, retrospectively.

101. (*1*) The notification of the Government of India in the Ministry of Finance (Department of Revenue) number G.S.R. 850 (*E*), dated the 8th July, 2017, amending the notification number G.S.R. 785 (*E*), dated the 30th June, 2017 which was issued in exercise of the powers conferred by sub-section (*1*) of section 25 of the Customs Act, 1962 and sub-section (*12*) of section 3 of the Customs Tariff Act, 1975, shall be deemed to have, and always to have, for all purposes, come into force on and from the 1st day of July, 2017.

52 of 1962.
51 of 1975.

(*2*) Refund shall be made of all such integrated tax which has been collected, but which would not have been so collected, had the amendement made *vide* the notification referred to in sub-section (*1*) been in force at all material times:

Provided that an application for claim of integrated tax shall be made within a period of six months from the date on which the Finance Bill, 2018 receives the assent of the President.

Customs Tariff

Amendment of Customs Tariff Act, 1975.

51 of 1975.

102. In the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), in section 3,—

(*i*) in sub-section (*7*), after the word, brackets and figure "sub-section (*8*)", the words, brackets, figure and letter "or sub-section (*8A*), as the case may be" shall be inserted;

(*ii*) after sub-section (*8*), the following sub-section shall be inserted, namely:—

52 of 1962.

'(*8A*) Where the goods deposited in a warehouse under the provisions of the Customs Act, 1962 are sold to any person before clearance for home consumption or export under the said Act, the value of such goods for the purpose of calculating the integrated tax under sub-section (*7*) shall be,—

(*a*) where the whole of the goods are sold, the value determined under sub-section (*8*) or the transaction value of such goods, whichever is higher; or

(*b*) where any part of the goods is sold, the proportionate value of such goods as determined under sub-section (*8*) or the transaction value of such goods, whichever is higher:

Provided that where the whole of the warehoused goods or any part thereof are sold more than once before such clearance for home consumption or export, the transaction value of the last such transaction shall be the transaction value for the purposes of clause (*a*) or clause (*b*):

Provided further that in respect of warehoused goods which remain unsold, the value or the proportionate value, as the case may be, of such goods shall be determined in accordance with the provisions of sub-section (*8*).

Explanation.— For the purposes of this sub-section, the expression "transaction value", in relation to warehoused goods, means the amount paid or payable as consideration for the sale of such goods.';

(*iii*) in sub-section (*9*), after the word, brackets and figures "sub-section (*10*)", the words, brackets, figures and letter "or sub-section (*10A*), as the case may be" shall be inserted;

(*iv*) after sub-section (*10*), the following sub-section shall be inserted, namely:—

'(*10A*) Where the goods deposited in a warehouse under the provisions of the Customs Act, 1962 are sold to any person before clearance for home consumption or export under the said Act, the value of such goods for the purpose of calculating the goods and services tax compensation cess under sub-section (*9*) shall be,— 52 of 1962.

(*a*) where the whole of the goods are sold, the value determined under sub-section (*10*) or the transaction value of such goods, whichever is higher; or

(*b*) where any part of the goods is sold, the proportionate value of such goods as determined under sub-section (*10*) or the transaction value of such goods, whichever is higher:

Provided that where the whole of the warehoused goods or any part thereof are sold more than once before such clearance for home consumption or export, the transaction value of the last of such transaction shall be the transaction value for the purposes of clause (*a*) or clause (*b*):

Provided further that in respect of warehoused goods which remain unsold, the value or the proportionate value, as the case may be, of such goods shall be determined in accordance with the provisions of sub-section (*10*).

Explanation.—For the purposes of this sub-section, the expression "transaction value", in relation to warehoused goods, means the amount paid or payable as consideration for the sale of such goods.'.

Amendment of First Schedule.

103. In the Customs Tariff Act, the First Schedule,—

(*a*) shall be amended in the manner specified in the Second Schedule;

(*b*) shall also be amended in the manner specified in the Third Schedule.

Amendment of Second Schedule.

104. In the Customs Tariff Act,—

(*a*) in the Second Schedule, after Note 3, the following Note shall be inserted, namely:—

"4. In respect of all other goods which are not covered under column (2) of this Schedule, the rate of duty shall be '*Nil*'.";

(*b*) the Second Schedule shall be amended in the manner specified in the Fourth Schedule.

Service tax

Special provision for exemption from service tax in certain cases relating to life insurance services provided by Naval Group Insurance Fund to personnel of Coast Guard, retrospectively.

105. (*1*) Notwithstanding anything contained in section 66, as it stood prior to the 1st day of July, 2012, or in section 66B, as it stood prior to the 1st day of July, 2017, of Chapter V of the Finance Act, 1994, as it stood prior to its omission *vide* section 173 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the said Chapter), no service tax shall be levied or collected in respect of taxable services provided or agreed to be provided by the Naval Group Insurance Fund by way of life insurance to personnel of Coast Guard under the Group Insurance Schemes of the Central Government, during the period commencing from the 10th day of September, 2004 and ending with the 30th day of June, 2017 (both days inclusive). 32 of 1994. 12 of 2017.

(2) Refund shall be made of all such service tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times:

Provided that an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2018 receives the assent of the President.

(3) Notwithstanding the omission of the said Chapter, the provisions of the said Chapter shall apply for refund under this section retrospectively as if the said Chapter had been in force at all material times.

Special provision for exemption from service tax in certain cases relating to services provided or agreed to be provided by Goods and Services Tax Network, retrospectively.

32 of 1994.
12 of 2017.

106. (1) Notwithstanding anything contained in section 66B of Chapter V of the Finance Act, 1994, as it stood prior to its omission *vide* section 173 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the said Chapter), no service tax shall be levied or collected in respect of taxable services provided or agreed to be provided by the Goods and Services Tax Network to the Central Government or the State Government or the Union territory Administration, during the period commencing from the 28th day of March, 2013 and ending with the 30th day of June, 2017 (both days inclusive).

(2) Refund shall be made of all such service tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times:

Provided that an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2018 receives the assent of the President.

(3) Notwithstanding the omission of the said Chapter, the provisions of the said Chapter shall apply for refund under this section retrospectively as if the said Chapter had been in force at all material times.

Special provision for retrospective exemption from service tax on Government's share of profit petroleum.

32 of 1994.
12 of 2017

107. (1) Notwithstanding anything contained in section 66B of Chapter V of the Finance Act, 1994, as it stood prior to its omission *vide* section 173 of the Central Goods and Services Tax Act, 2017 (hereinafter referred to as the said Chapter), no service tax, leviable on the consideration paid to the Government in the form of Government's share of profit petroleum, as defined in the contract entered into by the Government in this behalf, shall be levied or collected in respect of taxable services provided or agreed to be provided by the Government by way of grant of license or lease to explore or mine petroleum crude or natural gas or both, during the period commencing from the 1st day of April, 2016 and ending with the 30th day of June, 2017 (both days inclusive).

(2) Refund shall be made of all such service tax which has been collected, but which would not have been so collected, had sub-section (1) been in force at all material times:

Provided that an application for the claim of refund of service tax shall be made within a period of six months from the date on which the Finance Bill, 2018 receives the assent of the President.

(3) Notwithstanding the omission of the said Chapter, the provisions of the said Chapter shall apply for refund under this section retrospectively as if the said Chapter had been in force at all material times.

CHAPTER V

REPEAL AND SAVINGS OF CERTAIN ENACTMENTS

Repeal and savings of certain enactments.

108. (1) The enactments specified in the third column of the Fifth Schedule are hereby repealed to the extent specified in the fourth column thereof.

(2) Notwithstanding the repeal under sub-section (1), such repeal shall not—

(a) affect any other law in which the repealed enactment has been applied, incorporated or referred to;

(*b*) affect the validity, invalidity, effect or consequences of anything already done or suffered or any right, title, obligation or liability already acquired, accrued or incurred or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing under the repealed enactment;

(*c*) affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in or from any enactment hereby repealed;

(*d*) revive or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

(*3*) The mention of particular matters in sub-section (*1*) shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897, with regard to the effect of repeals. 10 of 1897.

Collection and payment of arrears of duties.

109. Notwithstanding the repeal of the enactments specified in the Fifth Schedule, the proceeds of duties levied under the said enactments immediately preceding the date on which the Finance Bill, 2018 receives the assent of the President, shall,—

(*i*) if collected by the collecting agencies but not paid into the Reserve Bank of India; or

(*ii*) if not collected by the collecting agencies,

be paid, or collected and paid, as the case may be, into the Reserve Bank of India for being credited to the Consolidated Fund of India.

CHAPTER VI

SOCIAL WELFARE SURCHARGE

Social Welfare Surcharge on imported goods.

110. (*1*) There shall be levied and collected, in accordance with the provisions of this Chapter, for the purposes of the Union, a duty of Customs, to be called a Social Welfare Surcharge, on the goods specified in the First Schedule to the Customs Tariff Act, 1975 (hereinafter referred to as the Customs Tariff Act), being the goods imported into India, to fulfil the commitment of the Government to provide and finance education, health and social security. 51 of 1975.

(*2*) The Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the Social Welfare Surcharge levied under this Chapter for the purposes specified in sub-section (*1*), as it may consider necessary.

(*3*) The Social Welfare Surcharge levied under sub-section (*1*), shall be calculated at the rate of ten per cent. on the aggregate of duties, taxes and cesses which are levied and collected by the Central Government in the Ministry of Finance (Department of Revenue) under section 12 of the Customs Act, 1962 and any sum chargeable on the goods specified in sub-section (*1*) under any other law for the time being in force, as an addition to, and in the same manner as, a duty of customs, but not including— 52 of 1962.

(*a*) the safeguard duty referred to in sections 8B and 8C of the Customs Tariff Act;

(*b*) the countervailing duty referred to in section 9 of the Customs Tariff Act;

(*c*) the anti-dumping duty referred to in section 9A of the Customs Tariff Act;

(*d*) the Social Welfare Surcharge on imported goods levied under sub-section (*1*).

(*4*) The Social Welfare Surcharge on imported goods shall be in addition to any other duties of customs or tax or cess chargeable on such goods, under the Customs Act, 1962 or any other law for the time being in force. 52 of 1962.

52 of 1962.

(5) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the Social Welfare Surcharge on imported goods as they apply in relation to the levy and collection of duties of customs on such goods under the Customs Act, 1962 or the rules or the regulations, as the case may be.

CHAPTER VII

ROAD AND INFRASTRUCTURE CESS

Road and Infrastructure Cess on imported goods.

111. (*1*) There shall be levied and collected, in accordance with the provisions of this Chapter, for the purposes of the Union, an additional duty of customs, to be called the Road and Infrastructure Cess, on the goods specified in the Sixth Schedule (hereinafter referred to as scheduled goods), being the goods imported into India at the rates specified in the said Schedule for the purpose of financing infrastructure projects.

(*2*) The additional duty of the customs referred to in sub-section (*1*) shall be in addition to any other duties of customs chargeable on scheduled goods under the Customs Act, 1962 or any other law for the time being in force.

52 of 1962.

52 of 1962.

(*3*) The provisions of the Customs Act, 1962 and the rules and regulations made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the additional duty of customs leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of the duties of customs on scheduled goods under the said Act or the rules and regulations, as the case may be.

Road and Infrastructure Cess on excisable goods.

112. (*1*) There shall be levied and collected, in accordance with the provisions of this Chapter, for the purposes of the Union, an additional duty of excise, to be called the Road and Infrastructure Cess, on the goods specified in the Sixth Schedule (hereinafter referred to as scheduled goods), being the goods manufactured or produced, at the rates specified in the said Schedule for the purpose of financing infrastructure projects.

(*2*) The cess leviable under sub-section (*1*), chargeable on the scheduled goods shall be in addition to any other duties of excise chargeable on such goods under the Central Excise Act, 1944 or any other law for the time being in force.

1 of 1944.

1 of 1944.

(*3*) The provisions of the Central Excise Act, 1944 and the rules made thereunder, including those relating to assessment, non-levy, short-levy, refunds, exemptions, interest, appeals, offences and penalties shall, as far as may be, apply in relation to the levy and collection of the cess leviable under this section in respect of scheduled goods as they apply in relation to the levy and collection of the duties of excise on scheduled goods under the said Act or the rules, as the case may be.

CHAPTER VIII

MISCELLANEOUS

PART I

AMENDMENTS TO THE GOVERNMENT SAVINGS BANKS ACT, 1873

Commencement of this Part.

113. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Substitution of long title to Act 5 of 1873.

114. In the Government Savings Banks Act, 1873 (hereafter in this Part referred to as the principal Act), for the long title, the following shall be substituted, namely:—

"An Act to regulate and channelise the savings from general public into Government Savings Schemes.".

Amendment of short title.

115. In the principal Act, in section 1, in the short title, for the word "Banks", the word "Promotion" shall be substituted.

Substitution of words "Authorised Officer" for the word "Secretary" throughout Act.

116. In the principal Act, for the word "Secretary", wherever it occurs, the words "Authorised Officer" shall be substituted.

Omission of section 2.

117. Section 2 of the principal Act shall be omitted.

Substitution of new sections 3, 3A and 3B for section 3.

118. For section 3 of the principal Act, the following sections shall be substituted, namely:—

Definitions.

'3. In this Act, unless the context otherwise requires,—

(*a*) "account" means an account opened under any of the Savings Schemes;

(*b*) "administrator" means an administrator as defined in clause (*a*) of section 2 of the Indian Succession Act, 1925; 39 of 1925.

(*c*) "Authorised Officer" means—

(*i*) in the case of a Post Office Savings Bank, an officer authorised by the Director General Posts; and

(*ii*) in the case of State Bank of India or a banking company or any other company or institution, an officer so authorised by State Bank of India or that banking company or that other company or that institution, as the case may be;

(*d*) "banking company" means a banking company as defined in clause (*c*) of section 5 of the Banking Regulation Act, 1949; 10 of 1949.

(*e*) "depositor" means an individual by whom, or on whose behalf money has been deposited in a Government Savings Bank and "deposit" means the money so deposited;

(*f*) "executor" means an executor as defined in clause (*c*) of section 2 of the Indian Succession Act, 1925; 39 of 1925.

(*g*) "Government Savings Bank" means—

(*i*) a Post Office Savings Bank; or

(*ii*) State Bank of India or a banking company, or any other company or institution, as the Central Government may, by notification in the Official Gazette, specify for the purposes of this Act;

(*h*) "guardian", in relation to a minor or a person of unsound mind means—

(*i*) either of the parents;

(*ii*) where neither parent is alive or where neither or the only living parent is incapable of acting as such, a person entitled under the law for the time being in force to have the care of the property of a minor or a person of unsound mind, as the case may be;

(*iii*) legal guardian appointed by a court;

(*i*) "minor" means a person who has not attained the age of majority under the Indian Majority Act, 1875; 9 of 1875.

(*j*) "prescribed" means prescribed by rules made under this Act;

(*k*) "Savings Schemes" means the Government Savings Schemes, including Savings Certificates and Public Provident Fund Scheme, listed in the Schedule;

(*l*) "Schedule" means the Schedule annexed to this Act.

Framing of Savings Schemes.

3A. (*1*) The Central Government may, by notification in the Official Gazette, frame new Savings Schemes or amend or discontinue existing Savings Schemes to promote household savings in the country.

(*2*) The Central Government may, by notification in the Official Gazette, include or omit or amend Savings Schemes in the Schedule.

(*3*) The notification referred to in sub-section (*1*) may include any or all of the following provisions, depending on the design of such Scheme, namely:—

(*a*) the persons who shall be eligible to make deposit in a Savings Scheme;

(*b*) the terms and conditions subject to which deposit may be made;

(*c*) the manner of calculation, frequency of payment and rate of interest payable on the deposit;

(*d*) the maximum and minimum limits of deposit;

(*e*) premature closure, withdrawal of deposit, grant of loans against deposit and transfer of deposit;

(*f*) any other provision depending on the purpose and design of the Savings Scheme.

Deposit by minor.

3B. (*1*) A minor who has attained the age of ten years may open and operate an account in the Government Savings Bank, if so permitted under a Savings Scheme.

(*2*) Subject to the provisions of sub-section (*1*), the guardian of a minor may open and operate an account on behalf of the minor, till he becomes a major.'.

Amendment of section 4.

119. In section 4 of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The depositors shall designate one or more individuals, as nominee or nominees, who shall be entitled, in the event of the death of the depositor of a single account, or all the depositors of a joint account, as the case may be, to receive the sum due, as an owner or a trustee, and to the extent, as may be specified by the depositor at the time of making nomination:

Provided that if the depositor is a minor or a person of unsound mind, the nominee shall be designated by the guardian.";

(*b*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) The transfer of deposit, if permitted under a Savings Scheme, shall automatically cancel a nomination previously made.".

Amendment of section 4A.

120. In section 4A of the principal Act,—

(*a*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*3A*) Where the deposit belongs to a minor or to a person of unsound mind who dies and there is no nominee immediately before the date of commencement of Part I of Chapter VIII of the Finance Act, 2018, the deposit shall be paid to the guardian.";

(*b*) in sub-section (*4*),—

(*i*) in clause (*a*), for the words "deceased; and", the words "deceased in accordance with such procedure as may be prescribed." shall be substituted;

(*ii*) clause (*b*) shall be omitted;

(*c*) sub-section (*5*) shall be omitted.

Amendment of section 5.

121. In section 5 of the principal Act,—

(*i*) for the words "But nothing", the word "Nothing" shall be substituted;

(*ii*) for the words "And any creditor", the words "Every creditor" shall be substituted;

(*iii*) for the words "if the latter had obtained", the words "if that person had obtained" shall be substituted.

Amendment of section 6.

122. In section 6 of the principal Act, for the words, brackets, figures and letter "any such Bank or any officer empowered under sub-section (*4*) of section 4A", the words "a Government Savings Bank" shall be substituted.

Amendment of section 7.

123. In section 7 of the principal Act, for the words, brackets, figures and letter "any such Bank or any officer empowered under sub-section (*4*) of section 4A", the words "a Government Savings Bank" shall be substituted.

Insertion of new section 7A.

124. After section 7 of the principal Act, the following section shall be inserted, namely:—

Power to call for information.

"7A. The Central Government through any designated authority, may call for such information, documents and evidence as it may deem necessary, in relation to any account, for carrying out the purposes of this Act.".

Amendment of section 8.

125. In section 8 of the principal Act, for the words "three thousand rupees", the words "the prescribed limit" shall be substituted.

Amendment of section 10.

126. In section 10 of the principal Act,—

(*i*) for the words "or on behalf of, any minor", the words "or on behalf of, a minor" shall be substituted;

(*ii*) for the words "for his use", the words "for the use of such minor" shall be substituted;

(*iii*) for the words "receipt of any minor", the words "receipt of the minor" shall be substituted.

Amendment of section 12.

127. In section 12 of the principal Act,—

(*i*) for the word "Bank", the words "Government Savings Bank" shall be substituted;

(*ii*) for the words "any proper person", the word "guardian" shall be substituted;

(*iii*) for the words "such person", the words "such guardian" shall be substituted;

(*iv*) for the words "nothing in this section authorises payments to any person other than", the words "payments shall be made to" shall be substituted.

Insertion of new section 12A.

128. After section 12 of the principal Act, the following section shall be inserted, namely:—

Operation of account by differently abled persons.

"12A. Any depositor who suffers from physical infirmity, including blindness may operate and make a deposit through any literate individual whom he authorises.".

Omission of heading.

129. After section 12A of the principal Act as so inserted, the heading shall be omitted.

Omission of section 13.

130. Section 13 of the principal Act shall be omitted.

131. In section 14 of the principal Act, for the word "Government", the words "Central Government" shall be substituted. Amendment of section 14.

132. After section 14 of the principal Act, the following section shall be inserted, namely:— Insertion of new section 14A.

"14A. The amount standing to the credit of any depositor in the Public Provident Fund Scheme shall not be liable to attachment under any decree or order of any court in respect of any debt or liability incurred by the depositor.". Protection against attachment.

133. In section 15 of the principal Act, in sub-section (*2*),— Amendment of section 15.

(*i*) clause (*a*) shall be omitted;

(*ii*) for clause (*b*), the following clause shall be substituted, namely:—

"(*b*) the conditions as to interest or discount relating to deposits generally, or any class of deposits in particular;";

(*iii*) for clause (*g*), the following clause shall be substituted, namely:—

"(*g*) the fees that may be levied for discharge of any services under this Act;";

(*iv*) for clause (*i*), the following clauses shall be substituted, namely:—

"(*i*) the limit and procedure under clause (*a*) of sub-section (*4*) of section 4A;

(*j*) the mode of making deposits, such as physical, electronic or through use of any other tools of communication and information technology;

(*k*) benchmark for interest rates on deposits with a view to ensure financial sustainability of Savings Schemes;

(*l*) amount to be excluded in computing the court fee chargeable under the Court-fees Act, 1870 for the purpose of section 8 of the Act; 7 of 1870.

(*m*) mechanism for redressal of grievances and settlement of disputes;

(*n*) any other matter which is required to be or may be, prescribed.".

134. After section 15 of the principal Act, the following shall be inserted, namely:— Insertion of new section and Schedule.

"16. (*1*) The Government Savings Certificates Act, 1959 and the Public Provident Fund Act, 1968 are hereby repealed. Repeal and savings. 46 of 1959. 23 of 1968.

(*2*) Notwithstanding such repeal and without prejudice to the provisions contained in the General Clauses Act, 1897, with respect to repeals— 10 of 1897.

(*a*) anything done or any action taken or purported to have been done or taken, including any rule, notification, order or notice made or issued or any direction given under the repealed enactments shall be deemed to have been done or taken under the corresponding provisions of this Act;

(*b*) subject to the provisions of clause (*a*), any instrument executed or certificate issued, or anything done under or in pursuance of any repealed enactment shall, if is in force at the commencement of Part I of Chapter VIII of the Finance Act, 2018, continue to be in force in so far as it could have been executed, or issued or done under or in pursuance of such Part, shall have effect as if the same has been executed, issued or done under or in pursuance of the provisions contained in the aforesaid Part;

(*c*) all deposits made or accounts or certificates held under the repealed enactments shall be deemed to be deposits or holdings in the Savings Scheme made under the corresponding provisions of this Act; and

(*d*) any proceeding under the repealed enactments pending immediately before the commencement of Part I of Chapter VIII of the Finance Act, 2018 before any court shall, subject to the provisions of this Act, continue to be heard and disposed of by the said court.

(*3*) The repeal shall not prejudicially affect the interest of depositors who, before the commencement of Part I of Chapter VIII of the Finance Act, 2018, made deposits or were issued certificates or made contribution to any scheme under the repealed enactments.

THE SCHEDULE

[*See* section 3A]

This Act applies to the following Government Savings Schemes:

PART A

EXISTING SAVINGS SCHEMES

1. Post Office Savings Account
2. National Savings Monthly Income (Account)
3. National Savings Recurring Deposit
4. Sukanya Samridhhi Account
5. National Savings Time Deposit (1 year, 2 years, 3 years and 5 years)
6. Senior Citizens' Savings Scheme
7. Savings Certificates:—

(*a*) Kisan Vikas Patra (discontinued from 1st December, 2011 and restarted from 23rd September, 2014);

(*b*) National Savings Certificates (VIII Issue).

8. Public Provident Fund Scheme

PART B

DISCONTINUED SAVINGS SCHEMES

1. National Savings Scheme, 1987
2. National Savings Scheme, 1992
3. Block Deposit Account
4. Defence Savings Account
5. Gift Coupons
6. Cumulative Time Deposit Accounts:—

(*a*) 5-year account

(*b*) 10-year account

(*c*) 15-year account

7. 5-year Prize Bonds
8. 5-year Premium Prize Bonds
9. 5-year Compulsory Deposit Account Scheme, 1963
10. 5-year Fixed Deposit Account
11. 5-Year Cash Certificates
12. 10-Year Defence Savings Certificates
13. 12-Year National Savings Certificates
14. 7-Year National Savings Certificates
15. 5-Year National Savings Certificates
16. 10-Year Treasury Savings Deposits Certificates
17. 15-Year Annuity Certificates (I series)

18. 10-Year National Plan Savings Certificates
19. 10-Year Treasury Savings Deposits Certificates
20. 12-Year National Plan Savings Certificates
21. 15-Year Annuity Certificates (II series)
22. 10-Year Defence Deposit Certificates
23. 12-Year National Defence Certificates
24. 10-Year National Savings Certificates (I-Issue)
25. 7-Year National Savings Certificates (II-Issue)
26. 7-Year National Savings Certificates (III-Issue)
27. 7-Year National Savings Certificates (IV-Issue)
28. 7-Year National Savings Certificates (V-Issue)
29. 12-Year National Savings Annuity Certificates
30. 5-Year National Development Bonds
31. 6-Year National Savings Certificates (VI-Issue)
32. 6-Year National Savings Certificates (VII-Issue)
33. 10-Year Social Security Certificates
34. Indira Vikas Patras
35. 10-Year National Savings Certificates (IX-Issue).".

PART II

AMENDMENT TO THE RESERVE BANK OF INDIA ACT, 1934

Amendment of section 17 of Act 2 of 1934.

135. In the Reserve Bank of India Act, 1934, in section 17, after clause (*1*), the following clause shall be inserted, namely:—

"(*1A*) The accepting of money as deposits, repayable with interest, from banks or any other person under the Standing Deposit Facility Scheme, as approved by the Central Board, from time to time, for the purposes of liquidity management;".

PART III

AMENDMENTS TO THE PRESIDENT'S EMOLUMENTS AND PENSION ACT, 1951

Commencement of this Part.

136. Save as otherwise provided, the provisions of this Part shall come into force on the 1st day of April, 2018.

30 of 1951. Amendment of section 1A.

137. In section 1A of the President's Emoluments and Pension Act, 1951 (hereafter referred to as the principal Act in this Part), for the words "one lakh fifty thousand rupees", the words "five lakh rupees" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January, 2016.

Amendment of section 2.

138. In section 2 of the principal Act, in sub-section (*2*), in clause (*b*), for the words "sixty thousand rupees", the words "one lakh rupees" shall be substituted.

Amendment of section 3A.

139. In section 3A of the principal Act, in clause (*b*), in sub-clause (*ii*), for the words "twelve thousand rupees", the words "twenty thousand rupees" shall be substituted.

PART IV

AMENDMENT TO THE SALARIES AND ALLOWANCES OF OFFICERS OF PARLIAMENT ACT, 1953

Amendment of section 3 of Act 20 of 1953.

140. In the Salaries and Allowances of Officers of Parliament Act, 1953, in section 3, in sub-section (*1*), for the words "one lakh twenty-five thousand rupees", the words "four lakh rupees" shall be substituted and shall be deemed to have been substituted with effect from 1st January, 2016.

PART V

AMENDMENTS TO THE SALARY, ALLOWANCES AND PENSION OF MEMBERS OF PARLIAMENT ACT, 1954

Commencement of this Part.

141. Save as otherwise provided, the provisions of this Part shall come into force from the 1st day of April, 2018.

Amendment of section 3.

142. In the Salary, Allowances and Pension of Members of Parliament Act, 1954 (hereafter referred to as the principal Act in this Part), section 3 shall be numbered as sub-section (*1*) thereof,— 30 of 1954.

(*i*) in sub-section (*1*) as so renumbered, for the words "fifty thousand rupees", the words "one lakh rupees" shall be substituted;

(*ii*) after sub-section (*1*) as so renumbered, the following sub-section shall be inserted, namely:—

"(*2*) The salary and daily allowance of members shall be increased after every five years commencing from 1st April, 2023 on the basis of Cost Inflation Index provided under clause (*v*) of *Explanation* to section 48 of the Income-tax Act, 1961.". 43 of 1961.

Amendment of section 4.

143. In the principal Act, in section 4, in sub-section (*1*),—

(*i*) clause (*a*) shall be omitted;

(*ii*) in clause (*b*), the words "and one-fourth of the" shall be omitted;

(*iii*) in clause (*c*), in sub-clause (*i*), the words "and three-fifth of the" shall be omitted.

Amendment of section 8A.

144. In the principal Act, in section 8A, in sub-section (*1*),—

(*a*) for the words "twenty thousand rupees", the words "twenty-five thousand rupees" shall be substituted;

(*b*) in the proviso, for the words "fifteen hundred rupees", the words "two thousand rupees" shall be substituted;

(*c*) after the proviso, the following sub-section shall be inserted, namely:—

"(*1A*) The pension and additional pension to every person shall be increased after every five years commencing from 1st April, 2023 on the basis of Cost Inflation Index provided under clause (*v*) of *Explanation* to section 48 of the Income-tax Act, 1961.". 43 of 1961.

Amendment of section 8AC.

145. In the principal Act, in section 8AC, in sub-section (*2*), the words, brackets and figures "before the commencement of the Salary, Allowances and Pension of Members of Parliament (Amendment) Act, 2006" shall be omitted and shall be deemed to have been omitted with effect from the 15th day of September, 2006. 40 of 2006.

PART VI

AMENDMENTS TO THE SECURITIES CONTRACTS (REGULATION) ACT, 1956

Commencement of this Part.

146. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of section 12A.

147. In the Securities Contracts (Regulation) Act, 1956 (hereafter in this Part referred to as the principal Act), section 12A shall be numbered as sub-section (*1*) thereof and after sub-section (*1*) as so numbered, the following sub-section shall be inserted, namely:— 42 of 1956.

"(*2*) Without prejudice to the provisions of sub-section (*1*) and section 23-I, the Securities and Exchange Board of India may, by an order, for reasons to be recorded in writing, levy penalty under sections 23A, 23B, 23C, 23D, 23E, 23F, 23G, 23GA and 23H after holding an inquiry in the prescribed manner.".

148. In section 23 of the principal Act, in sub-section (*1*), in the long line, after the words "Adjudicating officer", the words "or the Securities and Exchange Board of India" shall be inserted.

Amendment of section 23.

149. In section 23A of the principal Act, in sub-clause (*a*), after the words "bye-laws of the recognised stock exchange", the words "or who furnishes false, incorrect or incomplete information, document, books, return or report" shall be inserted.

Amendment of section 23A.

150. In section 23E of the principal Act, after the words "mutual fund", the words "or real estate investment trust or infrastructure investment trust or alternative investment fund", shall be inserted.

Amendment of section 23E.

151. In section 23G of the principal Act, after the words "periodical returns", the words "or furnishes false, incorrect or incomplete periodical returns" shall be inserted.

Amendment of section 23G.

152. After section 23G of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 23GA.

"23GA. Where a stock exchange or a clearing corporation fails to conduct its business with its members or any issuer or its agent or any person associated with the securities markets in accordance with the rules or regulations made by the Securities and Exchange Board of India and the directions issued by it under this Act, the stock exchange or the clearing corporations, as the case may be, shall be liable to penalty which shall not be less than five crore rupees but which may extend to twenty-five crore rupees or three times the amount of gains made out of such failure, whichever is higher.".

Penalty for failure to conduct business in accordance with rules, etc.

153. In section 23-I of the principal Act, in sub-section (*1*), for the word "shall", the word "may" shall be substituted.

Amendment of section 23-I.

154. In section 23J of the principal Act,—

Amendment of section 23J.

(*i*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Factors to be taken into account while adjudging quantum of penalty.";

(*ii*) for the word, figures and letter "section 23-I" the words, figures and letters "section 12A or section 23-I" shall be substituted.

(*iii*) for the words "the adjudicating officer", the words "the Securities and Exchange Board of India or the adjudicating officer" shall be substituted.

155. In section 23JA of the principal Act, after sub-section (*4*), the following sub-section shall be inserted, namely:—

Amendment of section 23JA.

"(*5*) All settlement amounts, excluding the disgorgement amount and legal costs, realised under this Act shall be credited to the Consolidated Fund of India.".

156. In section 23JB of the principal Act, in sub-section (*1*), for the words "by the adjudicating officer", the words "under this Act" shall be substituted.

Amendment of section 23JB.

157. After section 23JB of the principal Act, the following section shall be inserted, namely:—

Insertion of new section 23JC.

'23JC. (*1*) Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay, if he had not died, in the like manner and to the same extent as the deceased:

Continuance of proceedings.

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person.

(*2*) For the purposes of sub-section (*1*),—

(*a*) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, initiated against the deceased before his death shall be deemed to have been initiated against the legal representative, and may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased and all the provisions of this Act shall apply accordingly;

(*b*) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, which could have been initiated against the deceased if he had survived, may be initiated against the legal representative and all the provisions of this Act shall apply accordingly.

(*3*) Every legal representative shall be personally liable for any sum payable by him in his capacity as legal representative if, while his liability for such sum remains undischarged, he creates a charge on or disposes of or parts with any assets of the estate of the deceased, which are in, or may come into, his possession, but such liability shall be limited to the value of the asset so charged, disposed of or parted with.

(*4*) The liability of a legal representative under this section shall, be limited to the extent to which the estate of the deceased is capable of meeting the liability.

Explanation.—For the purposes of this section "Legal representative" means a person who in law represents the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased and where a party sues or is sued in a representative character, the person on whom the estate devolves on the death of the party so suing or sued.'.

Amendment of section 23M.

158. In section 23M of the principal Act,—

(*i*) after the words "adjudicating officer" at both the places where they occur, the words "or the Securities and Exchange Board of India" shall be inserted;

(*ii*) in sub-section (*2*), for the words, "any of his direction or orders" the words "the direction or order" shall be substituted.

Amendment of section 24.

159. In section 24 of the principal Act,—

(*i*) for the marginal heading, the following marginal heading shall be substituted:—

"Contravention by companies;";

(*ii*) in sub-section (*1*), for the words "an offence", the words "a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder" shall be substituted;

(*iii*) in sub-section (*2*), for the words "an offence under this Act", the words "a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder" shall be substituted;

(*iv*) for the word "offence", wherever it occurs, the word "contravention" shall be substituted.

PART VII

AMENDMENT TO THE CENTRAL BOARDS OF REVENUE ACT, 1963

Amendment of Act 54 of 1963

160. In the Central Boards of Revenue Act, 1963, with effect from the date on which the Finance Bill, 2018 receives the assent of the President,—

(*a*) "the Central Board of Excise and Customs" shall be renamed as "the Central Board of Indirect Taxes and Customs";

(*b*) throughout the Act, for the words "Excise and Customs", wherever they occur, the words "Indirect Taxes and Customs" shall be substituted, and such other consequential amendments as the rules of grammar may require shall also be made.

PART VIII

AMENDMENT TO THE GOVERNORS (EMOLUMENTS, ALLOWANCES AND PRIVILEGES) ACT, 1982

Amendment of section 3 of Act 43 of 1982.

161. In section 3 of the Governors (Emoluments, Allowances and Privileges) Act, 1982, for the words "one lakh ten thousand" the words "three lakh fifty thousand" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of January, 2016.

PART IX

AMENDMENTS TO THE NATIONAL HOUSING BANK ACT, 1987

Commencement of this Part.

162. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

53 of 1987. Amendment of section 3.

163. In the National Housing Bank Act, 1987 (hereafter in this Part referred to as the principal Act), in section 3,—

(*a*) in sub-section (*3*), for the words "Bombay or at such other place as the Reserve Bank", the words "New Delhi or at such other place as the Central Government" shall be substituted;

(*b*) in sub-section (*4*), for the words "the Reserve Bank", the words "the Central Government" shall be substituted.

Amendment of section 4.

164. In section 4 of the principal Act,—

(*a*) in sub-section (*1*), for the proviso, the following proviso shall be substituted, namely:—

"Provided that the Central Government may, by notification, increase the authorised capital up to two thousand crore rupees or such other amount as may be determined by it from time to time.";

(*b*) in sub-section (*2*), the words "the Reserve Bank," occurring at both the places shall be omitted;

(*c*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*3*) The subscribed capital of one thousand four hundred and fifty crore rupees of the National Housing Bank, which has been subscribed to by the Reserve Bank, shall stand transferred to, and vested in the Central Government upon payment of the face value of the subscribed capital, to the Reserve Bank from such date as may be notified by the Central Government.".

Amendment of section 5.

165. In section 5 of the principal Act, in sub-section (*5*), the words ", in consultation with the Reserve Bank, or the Reserve Bank," shall be omitted.

Amendment of section 6.

166. In section 6 of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) in clause (*ca*), the words "the Reserve Bank," shall be omitted;

(*ii*) in clause (*d*), for the words "two directors", the words "one director" shall be substituted;

(*b*) in sub-section (*2*), for the words "in consultation with the Reserve Bank and directors", the words "the director" shall be substituted.

Amendment of section 7.

167. In section 7 of the principal Act, in sub-sections (*1*), (*3*) and (*4*), the words ", in consultation with the Reserve Bank," shall be omitted.

Amendment of section 16.

168. In section 16 of the principal Act, in sub-section (*1*), for the words and figures "the Foreign Exchange Regulation Act, 1973", the words and figures "the Foreign Exchange Management Act, 1999" shall be substituted.

46 of 1973.
42 of 1999.

Amendment of section 29A.

169. In section 29A of the principal Act, in the *Explanation,* in clause (*II*), for the words and figures "Companies Act, 1956", the words and figures "Companies Act, 2013" shall be substituted.

1 of 1956.
18 of 2013.

Amendment of section 33.

170. In section 33 of the principal Act, in sub-section (*2*), for the words, brackets and figures "sub-section (*2*) of section 227 of the Companies Act, 1956", the words, brackets and figures "sub-section (*2*) of section 143 of the Companies Act, 2013" shall be substituted.

1 of 1956.
18 of 2013.

Amendment of section 33B.

171. In section 33B of the principal Act, in sub-sections (*1*) and (*4*), for the words and figures "Companies Act, 1956", the words and figures "Companies Act, 2013" shall be substituted.

1 of 1956.
18 of 2013

Amendment of section 37.

172. In section 37 of the principal Act, in sub-sections (*1*) and (*2*), for the words "the Reserve Bank" at both the places where they occur, the words "the Central Government" shall be substituted.

Amendment of section 39.

173. In section 39 of the principal Act, in clause (*ii*), for the words "the Reserve Bank", the words "the Central Government" shall be substituted.

Amendment of section 40.

174. In section 40 of the principal Act, in sub-section (*1*), for the words, brackets and figures "sub-section (*1*) of section 226 of the Companies Act, 1956", the words, brackets and figures "sub-section (*1*) of section 141 of the Companies Act, 2013" shall be substituted.

1 of 1956.
18 of 2013.

Amendment of section 43.

175. In section 43 of the principal Act, in sub-section (*5*), the words, figures and letters ", without prejudice to the provisions of section 54AA of the Reserve Bank of India Act, 1934," shall be omitted.

2 of 1934.

Amendment of section 45A.

176. In section 45A of the principal Act, in sub-section (*1*), for the words and figures "Companies Act, 1956", the words and figures "Companies Act, 2013" shall be substituted.

1 of 1956.
18 of 2013.

Amendment of section 55.

177. In section 55 of the principal Act,—

(*i*) in sub-section (*1*), the words "the Reserve Bank and in consultation with" shall be omitted;

(*ii*) in sub-section (*3*), the words "by the Reserve Bank," shall be omitted.

PART X

AMENDMENTS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992

Commencement of this Part.

178. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of section 11.

179. In the Securities And Exchange Board of India Act, 1992 (hereafter in this Part referred to as the principal Act), in section 11,—

15 of 1992.

(*i*) after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*4A*) Without prejudice to the provisions contained in sub-sections (*1*), (*2*), (*2A*), (*3*) and (*4*), section 11B and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.";

(*ii*) in sub-section (*5*), after the words and figures "the Depositories Act, 1996", the words, figures, letters and brackets shall be inserted, namely:—

22 of 1996.

"or under a settlement made under section 15JB or section 23JA of the Securities Contracts (Regulation) Act, 1956 or section 19-IA of the Depositories Act, 1996,".

42 of 1956.
22 of 1996.

Amendment of section 11B.

180. In section 11B, of the principal Act,—

(*a*) in the marginal heading, after the word "directions", the words "and levy penalty" shall be inserted;

(*b*) section 11B shall be numbered as sub-section (*1*) thereof and after sub-section (*1*) as so renumbered, the following sub-section shall be inserted, namely:—

"(*2*) Without prejudice to the provisions contained in sub-section (*1*), sub-section (*4A*) of section 11 and section 15-I, the Board may, by an order, for reasons to be recorded in writing, levy penalty under sections 15A, 15B, 15C, 15D, 15E, 15EA, 15EB, 15F, 15G, 15H, 15HA and 15HB after holding an inquiry in the prescribed manner.".

Amendment of section 15A.

181. In the principal Act, in section 15A,—

(*i*) in clause (*a*), after the words "fails to furnish the same", the words "or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents" shall be inserted;

(*ii*) in clause (*b*), after the words "furnish the same within the time specified therefor in the regulations", the words "or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents" shall be inserted.

Insertion of new sections 15EA and 15EB.

182. In the principal Act, after section 15E, the following sections shall be inserted, namely:—

Penalty for default in case of alternative investment funds, infrastructure investment trusts and real estate investment trusts.

"15EA. Where any person fails to comply with the regulations made by the Board in respect of alternative investment funds, infrastructure investment trusts and real estate investment trusts or fails to comply with the directions issued by the Board, such person shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees or three times the amount of gains made out of such failure, whichever is higher.

Penalty for default in case of investment adviser and research analyst.

15EB. Where an investment adviser or a research analyst fails to comply with the regulations made by the Board or directions issued by the Board, such investment adviser or research analyst shall be liable to penalty which shall not be less than one lakh rupees but which may extend to one lakh rupees for each day during which such failure continues subject to a maximum of one crore rupees.".

Amendment of section 15F.

183. In the principal Act, in section 15F, in clause (*b*), for the words "he sponsors or carries on any such collective investment scheme including mutual funds", the words "such failure continues" shall be substituted.

Amendment of section 15-I.

184. In the principal Act, in section 15-I, in sub-section (*1*),—

(*i*) after the figures and letter "15E,", the figures and letters "15EA, 15EB," shall be inserted;

(*ii*) for the word "shall" the word "may" shall be substituted.

Amendment of section 15J.

185. In the principal Act, in section 15J,—

(*a*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Factors to be taken into account while adjudging quantum of penalty.";

(*b*) after the words, figures and letter "section 15-I, the adjudicating officer", the figures, letters and words "15-I or section 11 or section 11B, the Board or the adjudicating officer" shall be substituted;

(*c*) in the *Explanation*, the words "of an adjudicating officer" shall be omitted.

Amendment of section 15JB.

186. In the principal Act, in section 15JB, after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*5*) All settlement amounts, excluding the disgorgement amount and legal costs, realised under this Act shall be credited to the Consolidated Fund of India.".

Amendment of section 24.

187. In the principal Act, in section 24,—

(*i*) after the words "adjudicating officer" at both the places where they occur, the words "or the Board" shall be inserted;

(*ii*) in sub-section (*2*), the words "of his" shall be omitted.

Amendment of section 27.

188. In the principal Act, in section 27,—

(*i*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Contravention by companies.";

(*ii*) in sub-section (*1*), for the words "an offence under this Act,", the words "a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder" shall be substituted;

(*iii*) for the word "offence", wherever it occurs, the word "contravention" shall be substituted.

Amendment of section 28A.

189. In the principal Act, in section 28A, in sub-section (*1*), for the words "by the adjudicating officer", the words "under this Act" shall be substituted.

Insertion of new section 28B.

190. In the principal Act, after section 28A, the following section shall be inserted, namely:—

Continuance of proceedings.

'28B. (*1*) Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay, if he had not died, in the like manner and to the same extent as the deceased:

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person.

(*2*) For the purposes of sub-section (*1*),—

(*a*) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, initiated against the deceased before his death, shall be deemed to have been initiated against the legal representative, and may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased and all the provisions of this Act shall apply accordingly;

(*b*) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, which could have been initiated against the deceased if he had survived, may be initiated against the legal representative and all the provisions of this Act shall apply accordingly.

(*3*) Every legal representative shall be personally liable for any sum payable by him in his capacity as legal representative if, while his liability for such sum remains undischarged, he creates a charge on or disposes of or parts with any assets of the estate of the deceased, which are in, or may come into, his possession, but such liability shall be limited to the value of the asset so charged, disposed of or parted with.

(*4*) The liability of a legal representative under this section shall be limited to the extent to which the estate of the deceased is capable of meeting the liability.

Explanation.—For the purposes of this section "legal representative" means a person who in law represents the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased and where a party sues or is sued in a representative character, the person on whom the estate devolves on the death of the party so suing or sued.'.

PART XI

AMENDMENTS TO THE DEPOSITORIES ACT, 1996

Commencement of this Part.

191. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

22 of 1996.

Amendment of section 19.

192. Section 19 of the Depositories Act, 1996 (hereafter in this Part referred to as the principal Act) shall be numbered as sub-section (*1*) thereof and after sub-section (*1*) as so renumbered, the following sub-section shall be inserted, namely:—

"(*2*) Without prejudice to the provisions contained in sub-section (*1*) and section 19H, the Board may, by order, for reasons to be recorded in writing, levy penalty under sections 19A, 19B, 19C, 19D, 19E, 19F, 19FA and 19G after holding an inquiry in the prescribed manner.".

Amendment of section 19A.

193. In section 19A of the principal Act,—

(*i*) in clause (*a*), after the words "specified therefor", the words "or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents" shall be inserted;

(*ii*) in clause (*b*), after the words "specified therefor, he", the words "or who furnishes or files false, incorrect or incomplete information, return, report, books or other documents" shall be inserted.

Insertion of new section 19FA.

194. After section 19F of the principal Act, the following section shall be inserted, namely:—

Penalty for failure to conduct business in a fair manner.

"19FA. Where a depository fails to conduct its business with its participants or any issuer or its agent or any person associated with the securities markets in a fair manner in accordance with the rules, regulations made by the Board or directions issued by the Board under this Act, it shall be liable to penalty which shall not be less than five crore rupees but which may extend to twenty-five crore rupees or three times the amount of gains made out of such failure, whichever is higher.".

Amendment of section 19H.

195. In section 19H of the principal Act, in sub-section (*1*), for the figures, letters and words "19F and 19G, the Board shall", the figures, letters and words "19F, 19FA and 19G, the Board may" shall be substituted.

Amendment of section 19-I.

196. In section 19-I of the principal Act,—

(*i*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Factors to be taken into account while adjudging quantum of penalty".

(*ii*) for the words, figures and letter "section 19H, the adjudicating officer", the words, figures and letter "section 19 or section 19H, the Board or the adjudicating officer" shall be substituted;

(*iii*) in the *Explanation,* the words "of an adjudicating officer" shall be omitted.

Amendment of section 19-IA.

197. In section 19-IA of the principal Act, after sub-section (*4*), the following sub-section shall be inserted, namely:—

"(*5*) All settlement amounts, excluding the disgorgement amount and legal costs, realised under this Act shall be credited to the Consolidated Fund of India.".

Amendment of section 19-IB.

198. In section 19-IB of the principal Act, in sub-section (*1*), for the words "by the adjudicating officer", the words "under this Act" shall be substituted.

Insertion of new section 19-IC.

199. After section 19-IB of the principal Act, the following section shall be inserted, namely:—

Continuance of proceedings.

'19-IC. (*1*) Where a person dies, his legal representative shall be liable to pay any sum which the deceased would have been liable to pay if he had not died, in the like manner and to the same extent as the deceased:

Provided that, in case of any penalty payable under this Act, a legal representative shall be liable only in case the penalty has been imposed before the death of the deceased person.

(*2*) For the purposes of sub-section (*1*),—

(*a*) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, initiated against the deceased before his death shall be deemed to have been initiated against the legal representative, and may be continued against the legal representative from the stage at which it stood on the date of the death of the deceased and all the provisions of this Act shall apply accordingly;

(*b*) any proceeding for disgorgement, refund or an action for recovery before the Recovery Officer under this Act, except a proceeding for levy of penalty, which could have been initiated against the deceased if he had survived, may be initiated against the legal representative and all the provisions of this Act shall apply accordingly.

(*3*) Every legal representative shall be personally liable for any sum payable by him in his capacity as legal representative if, while his liability for such sum remains undischarged, he creates a charge on or disposes of or parts with any assets of the estate of the deceased, which are in, or may come into, his possession, but such liability shall be limited to the value of the asset so charged, disposed of or parted with.

(*4*) The liability of a legal representative under this section shall be limited to the extent to which the estate of the deceased is capable of meeting the liability.

Explanation.—For the purposes of this section "legal representative" means a person who in law represents the estate of a deceased person, and includes any person who intermeddles with the estate of the deceased and where a party sues or is sued in a representative character, the person on whom the estate devolves on the death of the party so suing or sued.'.

Amendment of Chapter V.

200. In Chapter V of the principal Act, for the heading, the following heading shall be substituted, namely:—

"MISCELLANEOUS".

Amendment of section 20.

201. In section 20 of the principal Act,—

(*i*) in sub-section (*1*), after the words "adjudicating officer", the words "or the Board" shall be inserted;

(*ii*) in sub-section (*2*), for the words "adjudicating officer or fails to comply with any of his", the words "adjudicating officer or the Board or fails to comply with any" shall be substituted.

Amendment of section 21.

202. In section 21 of the principal Act,—

(*i*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Contravention by companies.";

(*ii*) in sub-section (*1*),—

(*a*) for the words "an offence under this Act", the words "a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder" shall be substituted;

(*b*) for the word "offence", wherever it occurs, the word "contravention" shall be substituted;

(*iii*) in sub-section (*2*),—

(*a*) for the words "an offence under this Act", the words "a contravention of any of the provisions of this Act or any rule, regulation, direction or order made thereunder " shall be substituted;

(*b*) for the word "offence" occurring at both the places, the word "contravention" shall be substituted.

Omission of heading.

203. In the principal Act, the words and letters "CHAPTER VI MISCELLANEOUS" occurring before section 22 shall be omitted.

PART XII

AMENDMENT TO THE VICE-PRESIDENT'S PENSION ACT, 1997

Amendment of section 2 of Act 30 of 1997.

204. In section 2 of the Vice-President's Pension Act, 1997, in sub-section (*2*), in clause (*c*), for the words "sixty thousand rupees", the words "ninety thousand rupees" shall be substituted with effect from the 1st day of April, 2018.

PART XIII

AMENDMENT TO THE CENTRAL ROAD FUND ACT, 2000

Commencement of this Part.

205. The provisions of this Part shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of Act 54 of 2000.

206. In the Central Road Fund Act, 2000,—

(*a*) in the long title, for the words and figures "the existing Central Road Fund governed by the Resolution of Parliament passed in 1988 for development and maintenance of National Highways and improvement of safety at railway crossing, and for these purposes levy and collect by way of cess, a duty of excise and a duty of customs on motor spirit commonly known as petrol, high speed diesel oil", the words "the Central Road and Infrastructure Fund for development and maintenance of National Highways, railway projects, improvement of safety in railways, State and rural roads and other infrastructure, and for these purposes to levy and collect by way of cess, a duty of excise and a duty of customs on motor spirit commonly known as petrol and high speed diesel oil" shall be substituted;

(*b*) in section 1, in sub-section (*1*), for the words "Central Road", the words "Central Road and Infrastructure" shall be substituted;

(*c*) in section 2, —

(*i*) in clause (*c*), for the words "Road Fund", the words "Road and Infrastructure Fund" shall be substituted;

(*ii*) clause (*e*) shall be omitted;

(*d*) in Chapter II,—

(*i*) for the heading, the following heading shall be substituted, namely:—

"CENTRAL ROAD AND INFRASTRUCTURE FUND";

(*ii*) in section 3,—

(*A*) for the word "Schedule", wherever it occurs, the word and figure "Schedule I" shall be substituted;

(*B*) in sub-section (*1*), in the long line, the words, brackets and figure "not exceeding the rate set forth in the corresponding entry in column (3) of the Schedule" shall be omitted;

(*C*) the first proviso shall be omitted;

(*D*) for the second proviso, the following proviso shall be substituted, namely:—

"Provided that the additional duty of customs and the additional duty of excise on motor spirit commonly known as petrol and on high speed diesel oil levied under sub-section (*1*) of section 109 and sub-section (*1*) of section 110, as the case may be, of the Finance Act, 2018 shall be deemed to be the cess for the purposes of this Act from the date of its levy and the proceeds thereof shall be credited to the Fund.";

(*e*) in section 6,—

(*i*) in the marginal heading, for the words "Road Fund", the words "Road and Infrastructure Fund" shall be substituted;

(*ii*) in sub-section (*1*), for the words "Road Fund", the words "Road and Infrastructure Fund" shall be substituted;

(*f*) section 7 shall be renumbered as sub-section (*1*) thereof and in sub-section (*1*) as so renumbered,—

(*A*) for clauses (*iv*) and (*v*), the following clauses shall be substituted, namely:—

'(*iv*) construction of roads either under or over the railways by means of bridges and erection of safety works at unmanned rail-road crossings, new lines, conversion of existing standard lines into gauge lines and electrification of rail lines; and

(*v*) undertaking other infrastructure projects.

Explanation.— For the purposes of this Act, the expression "infrastructure projects" means the category of projects and infrastructure Sub-Sectors specified in Schedule II.';

(*B*) after sub-section (*1*), as so renumbered, the following sub-sections shall be inserted, namely:—

"(*2*) The Central Government may, depending upon the requirement for development of infrastructure projects, and if it considers necessary or expedient to do so, by notification in the Official Gazette, amend Schedule II relating to any Category of projects or Infrastructure Sub-Sectors.

(*3*) Every notification issued under this Act by the Central Government shall be laid, as soon as may be after it is issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the notification or both Houses agree that the notification should not be made, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without